

Finance Committee Special Meeting
Minutes of the September 27, 2016

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 5:00 p.m. on Tuesday, September 27, 2016 in Room H & I – Auditorium of the Administration Building. Chairman Frohling took roll and the following members were present: Frohling, Schaefer, Benter, and Fink.

Also present: County Board Chairman Russ Kottke, Supervisors: MaryAnn Miller, Donna Maly, Jeff Berres, Dennis Schmidt and Becky Glewen, Mielke, Kolp, Scott Smith, Sheriff Dale Schmidt, Phil McAleer, Russ Freber, Amy Nehls, Andy Miller, P.J. Schoebel, Karen Gibson, Ruth Otto, Jane Hooper, Bill Wiley, Lifke and Watertown Daily Times reporter Ed Zagorski.

Julie Kolp, Finance Director certified the public notice given for this meeting complies with the requirements of Wisconsin's open meetings law.

Kolp provided committee members with an overview of 2017's proposed budget. Kolp summarized the Proposed Budget Summary report (Rainbow Sheet). Changes in budgeted expenditures are:

General Fund	\$3,428,769
Human Services and Health Fund	\$1,066,053
Clearview Fund	\$1,092,246
Highway Fund	(\$4,860,875)
Debt Service Fund	(\$64,900)

Kolp attributed Highway's decreased budgeted expenditures to Neosho's satellite shop construction in 2016. Overall budgeted expenditures increased \$736,293.

Kolp continued with information on budgeted revenues. According to Kolp, revenues are funds received from grants, fees for service, outside sources, and miscellaneous revenues. Overall budgeted revenues are \$64.9 million which is a decrease of \$1.2 million from 2016. Highway's \$3.5 million decrease is partially due to funding Neosho's Highway shop which was a General Fund intergovernmental fund transfer. According to Kolp, outside sources are fund balance transfers. At September's County Board meeting \$1.25 million Unapplied General Fund balance was approved to be used in 2017's budget. Unapplied General Funds of \$1.19 million was applied to 2017's budget along with a \$2.8 million General Fund borrowing for the detention center pipe project. Assigned Sales Tax Fund Balance of \$1.4 million will be applied for General Fund Capital Improvement projects. Clearview will not be using fund balance. Sales Tax remittance estimated for and applied to 2017 is \$4.4 million.

Kolp concluded the Proposed Budget Summary report with information on 2017's proposed levy. Proposed Gross County Property Tax Levy is \$33.4 million. Net County Property Tax Levy after reduction of Charitable, penal and county bridge aids is \$33.3 million. This is a \$296,517 increase from 2016. The proposed tax rate without computer aids is \$5.636/\$1,000 Equalized Value. This is a \$0.037 decrease from 2016.

Chairman Frohling stated the intent of these department review meetings is to provide budget information without intent to change presented budgets. Changes can be proposed at October 25, 2016's, Budget Review meeting.

Kolp continued with the County Levy Limit worksheet. According to Kolp, the calculation begins with the prior year's levy. Charitable, penal, Library and county bridge aids must be subtracted to determine the true county limit. At September's Finance Committee meeting, the committee was presented a

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number of Levy/Tax Rate options for consideration. The committee chose a \$296,517 Net New Construction levy increase and resulting \$5.636 Tax Rate. Kolp confirmed the \$296,517 Net New Construction number is final. Budget changes by department are reflected in the Adopted vs Proposed Tax Levy Comparison.

Jim Mielke, County Administrator reviewed the Net County Property Tax Levy and County Tax Rate Comparison graphs. According to Mielke, this information provides a visual from 2000 to current. It compares Tax rate changes in reference to Tax Levy changes.

Sheriff Dale Schmidt appeared and addressed the Sheriff's Office budget as being complicated. The overall reduction in this budget is \$157,143. Schmidt attributes this to using funds from a non-lapsing account to fund 2017 operations. Also, due to excess jail revenues in 2016, seven squads will be purchased in 2016 instead of 2017. The squads are part of a replacement plan with an \$800 savings per vehicle if purchased in 2016. The Sheriff's Office was able to defer almost \$650,000 from the levy by using Non-Lapsing Fund Balance, 2016 fund appropriations, Sales Tax and vendor resources.

Chief Deputy, Scott Smith appeared and continued with details on the Sheriff's Office budget. According to Smith, the \$171,220 payroll increase was a challenge. Adding to the 2017 budget challenge was the decision to budget wages and benefits according to Business Unit (BU) of responsibility. This caused some drastic swings in wages and benefits for BU 2001 – Sheriff Administration, BU 2021 – Traffic Patrol, and BU 2031 – Criminal Investigation. Even though there was a decrease in wages and benefits for BU 2061 – Jail and 2062 – Work Release, overtime increased significantly. Smith projects fuel savings based on average usage and current fuel cost. Purchasing replacement squads in 2016 caused Capital Expenditures to decrease in BU 2021. Purchase of a secure evidence locker and ventilation in the impound building will increase Capital Expenditures in BU 2031. Capital Expenditure of \$21,512 in BU 2061 is for upgrades to MorphoTrack Finger Print system and wireless access points in inmate services. These upgrades will also save \$11,000 on MorphoTrack maintenance fees. To meet Immigration and Customs Enforcement (ICE) requirements, 24 hour Nurse Practitioner service was budgeted and resulted in an increase to BU 2061 and 2062. An overall decrease in BU 2061 and 2062 budget is due to anticipated inmate revenues/reimbursements, decreased fuel costs, ICE grant, vendor funding, sales tax funding and use of Jail Improvement funds.

P.J. Schoebel, Medical Examiner appeared to present the Medical Examiner's budget. According to Schoebel, the Medical Examiner's budget is greatly affected by revenues. Early this year, the Governor changed the Medical Examiner fees back to 2014 rates. County Board approved a fee increase in 2015, however mid-2016, rates were converted back to 2014 rates. This has greatly affected 2016 revenues and will continue to affect 2017 revenues. Fluctuations in the Medical Examiner's budget includes increases in wages and benefits as a result of hiring a full-time chief deputy in 2016, however decreased officer fees is anticipated to offset some of that increase. Autopsy and forensic testing fees usually go hand-in-hand according to Schoebel. The fees are increasing and so are the need for autopsies and additional testing. Increased autopsies are partially attributed to increase drug related deaths. In 2015, the number of drug related deaths were double the 2009 number and Schoebel is expecting to exceed that number in 2016. Schoebel is anticipating the number will continue to rise in 2017. Currently Dodge County is using the services of two forensic pathologist from Fond du Lac 95% of the time. The remainder of the autopsies are done by UW pathologist. The increase in autopsies is also causing an increase in supplies. The other increase to the Medical Examiner budget is the purchase of a new van. The current van is a 2009 model with almost 150,000 miles and signs of wear. Schoebel received a quote from Rick Reed Automotive on

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a new Dodge Caravan SE (same as current model) for \$22,750. Schoebel confirmed this is based on the State buying contract. Mielke commented that autopsies drives the Medical Examiner budget. Schoebel added that autopsies are normally required for all non-natural deaths. This includes homicides, suicides, auto accidents, drug over doses and prisoners. In 2015, Schoebel signed 184 death certificates. Autopsies were required for 117 of them.

Andy Miller, Veterans Service Officer appeared to present the Veterans Service budget. According to Miller, there aren't many changes from 2016's budget. BU 5301 – Veterans Relief decrease \$4,000. This was a result of using non-lapsing fund balance to cover some of the expenditures. BU 5302 is the operations BU for his department. The increase in wages & benefits was offset by a decrease in Health Care coverage. The secretary for this department opted out of the County Health Insurance plan. Revenues for Miller's department are limited but Miller will continue to apply for the Veteran's grant as long as it's offered.

Mielke presented Land Conservation's budget. Mielke explained that Marc Bethke, County Conservationist is on a medical leave for an undetermined period and John Bohonek is acting as interim department head. Mielke noted there aren't any significant changes to the budget. He also made committee members aware the department will be co-hosting a public "producer group" meeting in February 2017. The exact date is uncertain. The Land Conservation budget does include an additional \$1,500 to market the event.

Russ Freber, Physical Facilities Director appeared to present the Physical Facilities department budget. Freber started by commenting on savings to the Physical Facilities' budget. Freber continues to look for opportunities to save on utility costs. For 2017, Freber estimates an \$8,000 - \$10,000 energy savings between electric and gas for all buildings. He also anticipates a water and sewer cost savings in the detention center with the new dishwasher. The new dishwasher is anticipated to save 250,000 gals of water a year. Notable budget changes per BU are:

- BU 1901 – County Buildings: Carpet County Clerk's office for \$8,520
- BU 1902 – Law Enforcement Center: Radio upgrade for \$8,042. Freber has been updating radios for the past three years. The final upgrade is to the repeater and base station. It's budgeted in 2017 and is divided between the business units based on staff.
- BU 1904 – Youth Fair Building: Door replacement for \$8,042. Repair to the doors was unsuccessful so they are scheduled to be replaced in 2017. Freber noted that every year, Physical Facilities is given \$7,500 to invest in the building. Roof and lighting will be future priorities.
- BU 1905 – Henry Dodge Office Building: Headstone replacement carpet extractor, radio upgrade, tree trimming, and hand rails totaling \$22,787. Greatest impact is headstone replacement in cemetery. Many stones are tipping and have no cement slab for support. There are 400 headstones in the cemetery. The front monument was also in need of repair and in 2016 money was budgeted to replace the front monument. For 2017, \$15,000 was budgeted to replace headstones with concrete pad and paver. Another \$15,000 is expected to be budgeted in 2018 for the same purpose.
- BU 1906 – Highway Building: Radio upgrade for \$500
- BU 1911 – Maintenance Administration: Increased wages and benefits for \$25,018
- BU 2901 – Courts Building: Change wet suppression system for \$3,679. Currently, the sprinkler system is over the county servers. Suppression will protect the servers if the sprinkler system is activated.

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- BU 2902 – Corrections Building: Increases include electric costs, radio upgrade and counter tops for \$13,167. New dishwasher will help offset some of increased electric cost. Countertops are for the officer station. Formica countertops aren't working in this area and they will be replaced with a Corian top.
- BU 2903 – Legal Services Building: Decrease of \$38,373 due to air conditioner replacement in 2016. There is also utility savings with new air conditioner.

Amy Nehls, Emergency Management Director appeared to present Emergency Management's budget. According to Nehls, BU 2081 – Central Communication had an overall reduction of \$242,418. This was mostly due to the Simulcast system in 2016. Major cost in 2017 is painting the Fox Lake tower. BU 2811 – Emergency Management had a \$64,989 increase due to decreased Emergency Management Program Grant funding and increased wages and benefits. With the advent of Office of Management and Budget (OMB), Nehls has been using time studies to determine respective business unit for wage and benefit costs. Grant reimbursement are also dependent on these time studies. As a result, more wages and benefits are budgeted to BU 2811 and less to BU 2821, causing the respective increase and decrease. BU 2813 – Hazard Mitigation, BU 2819 – Emergency Disaster, BU 2823 – Homeland Security and BU 2824 – Exercise and Training don't have a levy change. These business units have grant funding to support cost and no activity is anticipated for 2017. BU 2821 – Local Emergency Planning Committee has a \$54,798 decrease due to reallocation of wages and benefits. This business unit deals with chemical management and with reformulation of products, less chemical management is needed reducing the costs for this business unit. BU 2825 – Hazmat has increased in 2017 as a result of hiring team members. This business unit is also covered by grant funding.

Ruth Otto, Information Technology Director appeared to present Information Technology's budget. Otto informed committee members that BU 1801 – Information Technology is the operations business unit. Even though wages and benefits increased, the overall budget decreased by reducing training and contracted dollars. BU 1811 – Desktop and Network Infrastructure increased due to consulting services and maintenance. This includes Microsoft, EMC (Computer Data Storage), video management, and OpenDNS. BU 1814 – Enterprise Systems decreased \$48,883. Software purchase and maintenance are in this business unit. It includes Kronos and JD Edwards. Maintenance cost increased but \$1.0 million Sales Tax and Carryover contributed to the overall decrease in levy dollars. BU 1816 – Internet consists of two internet carriers and no changes are anticipated. BU 1819 – Department Systems is the Continuation of Offsite Operations Plan (COOP). It's a plan using Cloud Solutions in the Mayville Highway satellite shop in the event operations can't be conducted in Juneau. The Cloud Solution will provide immediate service for continuation of county activities. BU 1821 – Telecommunication Services is the county phone services. There will be a \$21,984 decreased in telephone services and computer equipment. This is a zero balance business units so decreased costs will be allocated to departments based on usage.

Jane Hooper, Clearview Administrator and Bill Wiley, Clearview Director of Financial Services appeared to present Clearview's budget. Hooper informed committee members that Clearview holds 8 licenses and has 236 beds in the main building and 28 beds in the assisted living area. Wiley continued with information on the 25 business units within the Clearview Fund. Clearview financials consists of business units for operations or business units that records revenues or expenditures based on nature. Beginning with the 2017 budget, Wiley will begin transitioning some of the revenues to the respective

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operations business unit to be consistent with the Federal reporting model. Other noted changes for 2017 include:

- BU 4520 – MCHA-Marsh County Health is projected to have a slight increase in census, however Medicaid adjustments and recaptures which are based on prior year activity could drastically affect revenues. Wiley is anticipating a Medicaid rate decrease for 2017. Wiley noted that associated with increased census is increase expenditure related to resident care.
- BU 4521 – MCHA – IID revenues aren't expected to change except for supplemental payments. The Medicaid retro payment has been budgeted in anticipation of a take-back by Medicaid.
- BU 4524 – Northview Heights Community Based Residential Facility (CBRF) is the hardest to budget and hold census according to Wiley. The number of assisted living centers in the state are increasing and usually offer a lower rate. According to Hooper, this facility was supposed to be a step down facility for residents in the main campus. Some residence are seeking other CBRFs because of the lower rates and on occasion, do end up coming to the county CBRF.
- BU 4526 – AFH Trailview and BU 4527 – AFH – CLV Community Group Home are the two group homes. They are currently at capacity but when a resident leaves, it's harder to fill the vacancy. The combined budget for these two facilities has increased.
- BU 4505 – Behavioral Health Facility rates will be increasing 9% for 2017 for private pay and commercial insurance. Wiley stated the rate was increased to break even and it's most likely to increase for 2018 also. According to Wiley, it's not prudent to report a loss on high-in-demand beds.
- BU 4528 – CLV Brain Injury Center is Medicaid certified. The rate in this area is increasing \$10 per day for private and commercial insurance. This area has been experiencing an increase in therapy and medicine costs.
- Overall increases in Clearview's budget are related to wages and benefits and patient costs. Vehicle maintenance is anticipated to be slightly higher and legal fees for collections will increase. The goal is to include language in the admission's agreement to make it more legally binding and include collection action plans for delinquent accounts that will satisfy state and county guidelines. The budget also includes costs for wet suppression in the data room and beginning cost for 2018 implementation of billing and clinical software.
- Decreases are anticipated for utilities due to operation of the solar panels. Funding for the billing consultant has decreased. Wiley stated that Clearview is on top of their billing and need for consulting services are anticipated to be less.

Next special meeting is scheduled for Wednesday, September 28, 2016 at 4:00 p.m. in Room H & I - Auditorium on the 1st floor of the Dodge County Administration Building.

With no other business on the agenda, Chairman Frohling declared the meeting adjourned at 7:02 p.m.



Ed Benter,
Secretary